

1     why it was that she was contributing her services as  
2     general partner plus some cash and had 20 percent but  
3     Ms. Rothschild was apparently the security for Mr.  
4     Newton's later payment but she had 40 percent?

5           A     No. I don't think she had a problem with the  
6     percentages. She is excited about having a radio station  
7     and she is in business right now and an anchor woman right  
8     now on television and she is highly qualified and she  
9     feels that this is a step into an opportunity to owning a  
10    larger part.

11           I have always felt that if my partners make me  
12    money, they can always come back and ask for more, whether  
13    it is in salary compensation or in stock. And when Robin  
14    decided she didn't want to go forward, I felt it was a  
15    great opportunity seeing how enthusiastic and how Joyce  
16    had run the show from the beginning that she should have  
17    50 percent of the station.

18           Q     Now, has Joyce ever sent you any written reports  
19    concerning the progress of the application?

20           A     She calls me every four weeks and updates me on  
21    the telephone.

22           Q     No written document?

**EXHIBIT 4**

6. List the applicant, parties to the application and non-party equity owners in the applicant. Use one column for each individual or entity. Attach additional pages if necessary.

(Read carefully - The numbered items below refer to line numbers in the following table.)

1. Name and residence of the applicant and, if applicable, its officers, directors, stockholders, or partners (if other than individual also show name, address and citizenship of natural person authorized to vote the stock). List the applicant first, officers next, then directors and, thereafter, remaining stockholders and partners.

6. Percentage of votes.

7. Other existing attributable interests in any broadcast station, including the nature and size of such interests.

8. All other ownership interests of 5% or more (whether or not attributable), as well as any corporate officership or directorship, in broadcast cable, or newspaper entities in the same market or with overlapping signals in the same broadcast service, as described in 47 C.F.R. Section 73.355 and 76.501, including the nature and size of such interests and the positions held.

2. Citizenship.

3. Office or directorship held.

4. Number of shares or nature of partnership interests.

5. Number of votes.

1	JEM Productions, Limited Partnership  Joyce E. Morgan 2372 Pacific Silver Dr. Jacksonville, FL. 32216	Peter B. Knobel 645 Fifth Avenue New York, N.Y. 10022	Robin M. Rothschild Steep Hill Road Box 183 Wilmington, VT. 05363
2	U.S.	U.S.	U.S.
3	GENERAL PARTNER	LIMITED PARTNER	LIMITED PARTNER
4	20% Equity Ownership 100% Attributable Interest	40% Non- Party Equity Owner	40% Non- Party Equity Owner
5	100%	NONE	NONE
6	100%	NONE	NONE
7	NONE	NONE	WVAY-FM, Wilmington, VT. 89% Ownership (Attributable)
	NONE	NONE	See Exhibit E-1 for Non- Attributable Broadcast Ownership Interests

**EXHIBIT 5**

AGREEMENT

Peachs #16

Salvador A. Serrano, Broadcast Consultant of 7205 Enterprise Avenue, McLean, Virginia 22101 and Joyce E. Morgan of 2317 Pacific Silver Drive, Jacksonville, FL. HEREBY ENTER into the AGREEMENT specified herein dated as of Nov. 4, 1989 on the following terms and conditions:

I. Purpose of Agreement:

Joyce E. Morgan HEREBY AGREES TO HIRE Salvador A. Serrano, Broadcast Consultant for the purpose of preparing, submitting and prosecuting an application before the Federal Communications Commission for a construction permit for a new FM Broadcast station to operate on channel 289A assigned to Baldwin, Florida and to do all things determined by Joyce E. Morgan to be necessary, desirable or incidental to the purpose.

II. Compensation:

Joyce E. Morgan HEREBY AGREES TO PAY Salvador A. Serrano a retainer fee in the amount of ONE THOUSAND DOLLARS ( \$ 1000.00) for compensation for the application preparation and broadcast consulting services to be rendered by Salvador A. Serrano as set forth in paragraph I. above. Joyce E. Morgan agrees to negotiate with Salvador A. Serrano additional, reasonable compensation for services rendered on a quarterly basis until the Radio Station is built.

In witness hereof the parties have executed this agreement as of the date above first written.

Joyce E. Morgan 11-4-89

Joyce E. Morgan, General Partner, JEM Productions, L.P.

Salvador A. Serrano 11/4/89  
Salvador A. Serrano, Broadcast Consultant

-----

**EXHIBIT 6**

FEDERAL COMMUNICATIONS COMMISSION  
**FEE PROCESSING FORM**

FOR  
FCC  
USE  
ONLY

*Peaches #20*

Please read instructions on back of this form before completing it. Section I MUST be completed. If you are applying for concurrent actions which require you to list more than one Fee Type Code, you must also complete Section II. This form must accompany all payments. Only one Fee Processing Form may be submitted per application or filing. Please type or print legibly. All required blocks must be completed or application/filing will be returned without action.

**SECTION I**

APPLICANT NAME (Last, first, middle initial)  
JEM PRODUCTION, LIMITED PARTNERSHIP

MAILING ADDRESS (Line 1) (Maximum 35 characters - refer to Instruction (2) on reverse of form)

C/O SALVADOR A. SERRANO

MAILING ADDRESS (Line 2) (if required) (Maximum 35 characters)

P.O. BOX 7371

CITY

McLEAN

STATE OR COUNTRY (if foreign address)

VIRGINIA

ZIP CODE

22106

CALL SIGN OR OTHER FCC IDENTIFIER (if applicable)

BPH-891214ND

Enter in Column (A) the correct Fee Type Code for the service you are applying for. Fee Type Codes may be found in FCC Fee Filing Guides. Enter in Column (B) the Fee Multiple, if applicable. Enter in Column (C) the result obtained from multiplying the value of the Fee Type Code in Column (A) by the number entered in Column (B), if any.

(A)	(B)	(C)									
FEE TYPE CODE	FEE MULTIPLE (if required)	FEE DUE FOR FEE TYPE CODE IN COLUMN (A)	FOR FCC USE ONLY								
(1) <table border="1"><tr><td>M</td><td>W</td><td>R</td></tr></table>	M	W	R	<table border="1"><tr><td></td><td></td><td></td><td></td></tr></table>					<table border="1"><tr><td>\$ 6,760.00</td></tr></table>	\$ 6,760.00	
M	W	R									
\$ 6,760.00											

**SECTION II** — To be used only when you are requesting concurrent actions which result in a requirement to list more than one Fee Type Code.

(A)	(B)	(C)									
FEE TYPE CODE	FEE MULTIPLE (if required)	FEE DUE FOR FEE TYPE CODE IN COLUMN (A)	FOR FCC USE ONLY								
(2) <table border="1"><tr><td></td><td></td><td></td></tr></table>				<table border="1"><tr><td></td><td></td><td></td><td></td></tr></table>					<table border="1"><tr><td>\$</td></tr></table>	\$	
\$											
(3) <table border="1"><tr><td></td><td></td><td></td></tr></table>				<table border="1"><tr><td></td><td></td><td></td><td></td></tr></table>					<table border="1"><tr><td>\$</td></tr></table>	\$	
\$											
(4) <table border="1"><tr><td></td><td></td><td></td></tr></table>				<table border="1"><tr><td></td><td></td><td></td><td></td></tr></table>					<table border="1"><tr><td>\$</td></tr></table>	\$	
\$											
(5) <table border="1"><tr><td></td><td></td><td></td></tr></table>				<table border="1"><tr><td></td><td></td><td></td><td></td></tr></table>					<table border="1"><tr><td>\$</td></tr></table>	\$	
\$											

ADD ALL AMOUNTS SHOWN IN COLUMN C, LINES (1) THROUGH (5), AND ENTER THE TOTAL HERE.  
THIS AMOUNT SHOULD EQUAL YOUR ENCLOSED REMITTANCE.

TOTAL AMOUNT REMITTED WITH THIS APPLICATION OR FILING	FOR FCC USE ONLY
\$ 6,760.00	

**EXHIBIT 7**



# EXHIBIT L10

Appendix B

## FACILITIES LIST AND COST ESTIMATES TO CONSTRUCT A CLASS A FM STATION\*

### TRANSMITTER PLANT

<u>Quantity</u>	<u>Item</u>	<u>Cost</u>
1	2.5 kW FM transmitter with stereo generator	\$27,000
1	300' guyed tower with lighting	25,000
1	Circularly polarized 3-bay transmitting antenna	5,500
350 feet	Flexible 1 5/8" transmission line with connectors	4,700
1	Frequency and modulation monitor and accessories	6,200
1	Remote control system	4,000
1	Dummy load and wattmeter	1,900
1	Stereo studio-to-transmitter link	7,500
1	Audio limiter/compression amplifier	3,800
1	Transmitter building	<u>18,000</u>
	SUBTOTAL:	<u>\$103,600</u>

---

\* Certain equipment cost estimates were provided courtesy of Harris Corporation, Broadcast Products Division, Quincy, Illinois.

STUDIO EQUIPMENT

<u>Quantity</u>	<u>Item</u>	<u>Cost</u>
1	Eight channel stereo main console with:	
2	Turntables, preamplifiers, arms and cartridges;	
2	Monitor speakers;	
2	Microphones;	
2	Cartridge tape machines;	
1	Headset;	
1	On-Air light;	
1	Clock;	
1	Patch panel;	
1	Reel-to-reel tape recorder; and	
1	Equipment desk and rack.	\$16,000
1	Five channel stereo news production console with:	
2	Turntables, preamplifiers, arms and cartridges;	
1	Set technical test equipment	\$ 3,500
1	Remote pickup system with mixer	\$ <u>3,600</u>
	SUBTOTAL	<u>\$32,400</u>

<u>Quantity</u>	<u>Item</u>	<u>Cost</u>
	Electrical service, transmitter and studio	\$ 8,500
	Modifications to leased studio building	21,000
	Equipment installation and proof of performance	\$14,000
	Office equipment	9,500
	Miscellaneous, spares and contingency	<u>29,000</u>
	SUBTOTAL:	<u>\$82,000</u>
	GRAND TOTAL:	<u>\$217,600</u>

Note: Not included in above are:

1. Legal and engineering fees
2. Land
3. Telephone
4. Disposable items (e.g., tape, supplies, etc.)
5. Shipping
6. Vehicle(s)
7. Record/tape library.
8. Working capital
9. Start-up staffing
10. Promotional campaign
11. Initial deposits (for real estate, equipment, etc.)

**EXHIBIT 8**

LIMITED PARTNERSHIP AGREEMENT  
AND  
CERTIFICATE OF LIMITED PARTNERSHIP  
FOR  
JEM PRODUCTIONS, LIMITED PARTNERSHIP

By this limited partnership agreement (The "Agreement") of  
JEM PRODUCTIONS, Limited Partnership, dated as of November 4,  
1989, Joyce E. Morgan, (The "General Partner") and  
Peter B. Knobel and Robin M. Rothschild (The "Limited  
Partners") Acting pursuant to the Uniform Partnership Act and electing to be  
governed by the provisions thereof, hereby form a limited partnership (The  
"Partnership") on the following terms and conditions:

1. Uniform Partnership Act The parties thereto have agreed to form,  
and by executing this agreement, hereby enter into this limited partnership  
pursuant to and in accordance with the provisions of the Delaware Uniform  
Partnership Act. These provisions shall govern the rights and liabilities of  
the Partners, except as otherwise herein stated.

2. Names The name of the Partnership is Jem Productions,  
Limited Partnership. The names of the individual partners are as follows:

<u>General Partner</u>	<u>Address</u>	<u>Telephone No.</u>
Joyce E. Morgan	2372 Pacific Silver Dr. Jacksonville, Florida 32216	904- 642-6329
<u>Limited Partners</u>		
Peter B. Knobel	645 Fifth Avenue New York, NY 10022	212- 308-7122
Robin M. Rothschild	Steep Hill Rd. Box 183 Wilmington, Vermont	802- 464-0503

Limited Partners

Address

Telephone#

3. Purpose. The Partnership is being formed for the purpose of prosecuting an application before the Federal Communications Commission for a construction permit for an FM broadcast station to operate on channel 289A assigned to Baldwin FL. for constructing and operating an FM station on that channel, and to do any and all other things determined by the General Partner to be necessary, desirable or incidental to the foregoing primary purpose and to engage in such activities incidental or auxillary thereto as the General Partner in his/her sole discretion may deem advisable.

4. Place of Business. The initial principal office and place of business of the Partnership shall be located at 2372 Pacific Silver DR. The Jacksonville, FL. General Partner may change the address of the principal office by notice in writing to the Limited Partners.

5. Filing of the Agreement. The General Partner shall, upon the execution of this Agreement by the General Partner and the Limited Partners, cause a Certificate of Limited Partnership to be filed in the office of the Clerk, Dover, Delaware and thereafter shall execute, acknowledge, and file, as appropriate, a certificate of amendment to, or cancellation of, the Certificate of Limited Partnership, as required from time to time by the Delaware statutes.

6. Term. The Partnership shall commence on the date of recordation of the Certificate of Limited Partnership and shall continue until December 31, 2009. The Partnership may be dissolved and terminated at any time before that date upon the unanimous vote of the General Partner and the Limited Partners.

7. Initial Capital Contributions and Partners' Ownership Interest. Each Partner shall have the percentage of ownership (herein sometimes called "Partner's Ownership Interest") in the Partnership as indicated opposite his/her name:

<u>Name</u>	<u>Partner's Ownership Interest</u>
Joyce E. Morgan	20%
Peter B. Knobel	40%
Robin M. Rothschild	40%

a. The initial capital contribution of the General Partner is as follows:

<u>Name</u>	<u>General Partner's Contribution</u>
Joyce E. Morgan	FCC Filing Fee \$1,800

b. The initial capital contribution of the Limited Partners is as follows:

<u>Name</u>	<u>Address</u>	<u>Limited Partner's Contribution</u>
Peter B. Knobel	645 Fifth Avenue New York, NY	\$ 250,000.00

8. Capital Account      An individual Capital Account shall be established for each Partner, which Account shall be credited with the amounts of each Partner's capital contributions to the Partnership from time to time. All profits of the Partnership shall be charged to each Partner's respective Capital Account as provided in paragraph 7. All losses of the Partnership shall be charged to each Partner's respective Capital Account as Provided in paragraph 7.

A Partner shall not be entitled to interest on his capital contribution, or to withdraw any part of his capital account, or to receive any distribution from the Partnership, except as specifically provided herein. Such capital account shall be properly adjusted, by allocating in proportion to the various Partnership Interest, to reflect distributive shares of income, gain, deduction, expense, loss and cash and non-cash distributions made by the Partnership in accordance with generally accepted accounting principles. Any Partner whose Partnership Interest shall be increased by means of the transfer to him of all or part of the Partnership Interest of another Partner shall have a Capital Account which has been appropriately adjusted to reflect such transfer.

9. Limited Partner's Loan      The Limited Partners agree to loan to the Partnership the costs incurred by the Partnership as set forth in paragraph 7 in pursuit of a construction permit from the Federal Communications Commission for the operation of a station to be located in Baldwin, Florida, including all legal, engineering and other necessary professional fees and other costs up to the date of the actual issuance of such construction permit and the funds needed for the construction and operation of said station, not to exceed \$ 250,000.00. Such funds shall be loaned to the Partnership as needed on request of the General Partner.



10. Distribution of Profits. The net profits derived from the operation of the Partnership property shall be distributed among the Partners in accordance with the allocations set forth in Paragraph 7. Provided, however, no actual distributions of profits or income of the Partnership need be made except in amounts and at times deemed prudent and reasonable by the General Partner. Before making any actual distribution, the General Partner shall set aside from the income of the Partnership adequate reserves to meet reasonably anticipated replacement, repair, and emergency needs of the Partnership's property. The General Partner may make loans to the Partnership at rates generally prevalent for similar loans.

11. Management: General Partner Obligations. Except as expressly stated herein, all decisions of the Partnership shall be made by the General Partner, and the Limited Partner(s) shall not participate in the management of Partnership affairs. In addition to the powers given to the General Partner by law, he is hereby authorized to negotiate and enter into all leases on behalf of the Partnership, to invest funds for temporary periods of interest-bearing accounts, certificates of deposit, money market funds, and governmental securities; to incur obligations for and on behalf of the Partnership in connection with the Partnership business, and to execute all documents necessary to effect the foregoing and to conduct the Partnership business.

Within the authority granted to him under this Agreement, the General Partner shall manage and control the affairs of the Partnership to the best

of his ability and use of his best efforts to carry out the purposes of the Partnership. The General Partner shall devote such of his time to the business of the Partnership as may be reasonably necessary to conduct such business.

12. Compensation of General Partner It is understood that the General Partner shall also be employed at the station to operate on Channel 289 A, Baldwin, Florida, as the full-time General Manager, and shall be compensated at a rate which is commensurate with the salary and benefits generally paid to General Managers at similarly situated stations.

13. Transfers and Restrictions on Transfers of Limited Partnership Interest. The Limited Partner(s) hereby represent and warrant to the General Partner and to the Partnership that their acquisitions of their Limited Partnership interest in the Partnership is made as principal for their account for investment purposes only and not with a view to the resale or distribution of such interest, and hereby agree that they will not sell, assign or otherwise transfer such interest or any portion thereof to any person who does not similarly represent and warrant and agree as provided above, and except upon the following terms and conditions:

a. A Limited Partner, or his personal representative, who intends to sell, assign or otherwise transfer all or any portion of his capital interest in the Partnership or his interest in the Partnership Profits, losses, net gains and distributions, shall first obtain the written consent of the General Partner and his counsel which consent may be withheld at the sole discretion of the General Partner. Such consent will not be given unless the General Partner and his counsel is satisfied that such transfer will not violate any Federal or state securities laws

or regulations; statutes, rules and regulations of the Federal Communications Commission; or have any adverse tax consequences to the remaining Partners in the Partnership. No such sale, transfer, assignment or conveyance shall be made without the prior consent of the Federal Communications Commission, as required by the statutes rules and regulations of that agency.

b. If consent is given to a transfer of a capital interest in the Partnership, thereby effecting a substitution of the Limited Partners, such transfer shall only become effective upon the transferees execution and acknowledgment of such instruments as the General Partner shall deem necessary to effect such substitution and the payment by the transferee of all reasonable expenses, including legal fees incurred by the Partnership in connection with his admission as a Limited Partner, including but not limited to, recordation costs of an amendment to the Certificate of Limited Partnership.

c. Any Limited Partner, or his personal representative, who intends to sell, assign or otherwise transfer all or any portion of his capital interest in the Partnership or his interest in the Partnership profits, losses, net gains and distributions, for cash or other consideration, shall first notify the General Partner, the Partnership, and the Limited Partners thereof in writing of such proposed sale, assignment or other transfer, setting forth the name of the proposed

assignee and the price and other terms of the proposed sale, assignment or other transfer.

Within ten (10) days after receiving such notice, the General Partner may elect by giving written notice to the selling Limited Partners to purchase the interest proposed to be sold, transferred or assigned at the price and on the terms and conditions contained in the notice.

If the General Partner does not elect to purchase said interest within said time period, the Partnership with the consent of the General Partner and Limited Partners owning a majority of the remaining Limited Partnership interests may elect by giving written notice, within ten (10) days after expiration of the General Partner's ten (10) day period, to the selling Limited Partners to purchase said interest at the price and on the terms and conditions contained in the written notice.

If the Partnership does not elect to make said purchase within said time limit, each Limited Partner shall have ten (10) days after the date of expiration of the Partnership's ten (10) day period, within which to elect to purchase such interest. If the Limited Partner(s) elects to purchase such interest, the Limited Partner(s) so electing shall purchase that proportion of the interest so offered as his capital contributions bear to the aggregate capital contributions of the Limited Partners.

If the General Partner, the Partnership or the Limited Partners elect to purchase the interest as aforesaid, the interest shall be sold to

said party at the price and upon the terms and conditions set forth in the written notice. If neither the Limited or General Partner elect to purchase the entire interest so offered, the selling Limited Partner(s) shall have the right to complete the sale, transfer or assignment to the assignee named and at the price and other terms set forth in the written notice, within six (6) months after giving such notice. If the sale is not consummated as aforesaid, the selling Limited Partner(s) shall make a sale, assignment or transfer only in conformity with this Section.

Notwithstanding anything else contained in this subsection (c), a Limited Partner, or his representative, may sell, transfer, or assign his capital interest in the Partnership or interest in Partnership profits, losses, net gains and distributions to anyone in his immediate family, a lineal descendant, or a trust administered primarily for the benefit of any such person(s) without first offering the interest to the General Partner, the Partnership, and the Limited Partners, but subject to all other provisions of this Section.

14. Rights, Duties and Obligations of Limited Partner(s)

No Limited Partner shall participate in the control of the Partnership business or have any power to bind the Partnership in any contract, agreement, compromise or undertaking.

NO Limited partner can act as an employee of the partnership if limited partner functions relate, either directly or indirectly, to the media enterprises of the partnership.

NO Limited partner can serve, in any material capacity, as an independent contractor or agent with respect to the partnership's media enterprises.

Limited partner is restricted from communicating with the general partner on matters pertaining to the day to day operations of the proposed radio station.

Limited partner is barred from performing any services to the partnership materially relating to its media activities, with the exception of making loans to, or acting as surety for, the partnership.

Limited partner is expressly prohibited from becoming actively involved in management or operation of the media business of partnership.

The General Partner shall not take the following actions without the concurrence of a majority of the Limited Partner(s) which shall be upon vote in proportion to their percentage of ownership interest in the Partnership:

(i) the dissolution and winding up of the Limited Partnership;

ii) the sale, exchange, lease, mortgage, pledge, or other transfer of all or substantially all of the assets of the Limited Partnership other than in the ordinary course of its business.

iii) the incurrence of indebtedness by the Limited Partnership other than in the ordinary course of its business.

(iv) a change in the nature of the business; or

(v) the removal of General Partner pursuant to the provisions of paragraph 23 of the Agreement.

Limited Partners shall not be deemed to have taken part in the Control of the Partnership by voting on such matters. No Limited Partner shall be liable for the debts of the Partnership in excess of his contributions to the capital of the Partnership.

15. Termination. This Partnership shall be terminated upon the occurrence of any of the following events:

a. Sixty (60) days after the date of the legal incapacity, death, retirement, or removal of the General Partner, unless a new General Partner has been or is elected to continue the Partnership business by a unanimous vote of the Limited Partner(s) within such period.

b. Sale or other disposition of all or substantially all of the Partnership assets.

c. Dissolution of the Partnership by Judicial decree or operation of law.

16. Dissolution and Liquidation. Upon termination of the Partnership for any reason, the Partnership shall transact no further business and shall then be dissolved and the assets of the Partnership shall be distributed in accordance with the provisions of Section 7 above.

17. Books and Records. At all times during the existence and continuance of this Partnership, the General Partner shall keep or cause to be kept true and accurate books of account at the principal office of the Partnership and each Partner shall at all times have reasonable access thereto. Such books of account shall be maintained in accordance with the income tax accounting methods used by the Partnership and in accordance with the Revised Limited Partnership Act.

The General Partner shall deliver to the Limited Partners, within seventy-five (75) days after the expiration of each fiscal year of the Partnership, a statement showing the profits or losses of the Partnership for federal income tax purposes and allocations thereof to each Partner together with a copy of the federal and state income tax returns of the

The General Partner shall also provide the Limited Partners with an annual report on the activities of the Partnership within 120 days after the close of each fiscal year.

18. Bank Accounts. The General Partner shall, in the name of the Partnership, open and maintain a bank account or accounts in which there shall be deposited Partnership funds and the General Partner shall use such funds solely for the business of the Partnership. Withdrawals from any such Partnership bank account shall be made only upon the signature of the General Partner or such other person or persons as the General Partner may, from time to time, designate. The General Partner shall maintain a monthly statement of receipts and disbursements from all such accounts.

19. Notices The address of each of the Partners for all purposes shall be as set forth in Section 7 above or in any notice of a change of address submitted in writing to the Partnership. Any notices and demands required to be given hereunder shall be sent by registered or certified mail, postage prepaid, return receipt requested, to such address, with copies to each Partner, and a copy to the address of the Partnership. Service of written notice shall be deemed to be effective two (2) days following the date of deposit of the notice in the United States mail.

20. Meetings The General Partner may at any time on at least 15 days written notice, call a meeting of the Partnership, and must call a meeting upon the written request of the Limited Partners representing at least 15% of the Limited Partnership interests. With ten (10) days of receipt of said written request, the General Partner shall cause a notice of said meeting to be mailed to each partner in the manner provided above in this Section 11, setting the meeting for not less than ten (10) nor more than twenty (20) days in the future from the date of service of such



written notice by the General Partner. Unless otherwise specified in the written notice by the General Partner, all meetings of the Partnership shall be held at the principal offices of the Partnership.

21. Indemnification of the General Partner. The General Partner will not be liable to the Partnership, nor to the Limited Partners, for any loss suffered by the Partnership, or the Limited Partners which arises out of his action or inaction if he, in good faith, determines that such course of conduct did not constitute gross negligence or gross misconduct. The General Partner shall be defended, held harmless, and indemnified by the Partnership for any liability or loss suffered by him by reason of conducting business on behalf of the Partnership; provided, however, that any recovery by the General Partner shall be limited to the assets of the Partnership and may not be held against the Limited Partners; provided, further, that the General Partner shall not be indemnified by the Partnership in connection with any liabilities incurred for violation of any federal or state securities law arising out of his sale of any interest in Partnership.

22. Special Power of Attorney. In order to facilitate amendments of this Agreement which require the signature of each Partner and the preparation and signing of other documentation in connection with the Partnership, each Partner by his signature hereby irrevocably constitutes and appoints the General Partner (acting alone) as its true and lawful